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RUEATRS/DEPT OF TREASURY WASHDC

C O N F I D E N T I A L MUSCAT 000289

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STATE FOR NEA/ARP, EEB/TFS
TREASURY FOR OTA VALVO

E.O. 12958: DECL: 04/15/2018
TAGS: [EFIN](#) [ECON](#) [PTER](#) [IR](#) [MU](#)
SUBJECT: OMAN REMAINS VIGILANT ON IRANIAN BANKING ACTIVITIES

REF: A. STATE 29096
[1](#)B. MUSCAT 266

Classified By: Ambassador Gary A. Grappo for Reasons 1.4 (b and d)

[1](#)1. (C) On April 15, the Ambassador met with Central Bank of Oman (CBO) Executive President Hamoud Sangour al-Zadjali to urge vigilance on the increasingly deceptive practices used by Iranian financial institutions to circumvent UN Security Council Resolutions (UNSCRs) and Financial Action Task Force (FATF) recommendations. Zadjali assured the Ambassador that the CBO was in full compliance with all UNSCRs and takes appropriate steps to notify the financial community about them.

[1](#)2. (C) Referring to the presence of Bank Melli and Bank Saderat in Oman, Zadjali stated that their operations were "very small and conservative," and that these banks understood and complied with CBO regulations on money laundering and terror financing. (Note: See ref B for reporting on modest assets and profits of Bank Melli's branch in Muscat. End Note.) The Executive President added, "We watch their activities closely to prevent them from abusing our markets, and they know they have to report suspicious transactions to us." Zadjali further welcomed the sharing of any future information the USG might obtain on suspicious Iranian transactions in Oman, noting that, "We will be very prompt in addressing them."
GRAPPO